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S E C R E T SECTION 01 OF 03 BAGHDAD 000456

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TAGS: PREL PGOV I2

SUBJECT: TALABANI, SALIH AND SHAWAYS ON LTSR, GOVERNMENT CHANGES, LEGISLATION, REFUGEES AND PROVINCIAL AND REGIONAL DEVELOPMENTS

REF: A. BAGHDAD 425 AND PREVIOUS

IB. BAGHDAD 422

Classified By: Ambassador Ryan C. Crocker for reasons 1.4 (b) and (d).

I1. (S) Summary: Ambassador met with President Talabani, DPM Barham Salih and Kurdistan Regional Government (KRG) and Kurdistan Democratic Party (KDP) representative Rowsch Shaways in two separate meetings on February 12. All noted that the Prime Minister will oversee the technical team's negotiations on the U.S.-Iraq strategic relationship and report back to the Executive Council and the Political Committee on National Security (PCNS). The political parties are still discussing government cabinet changes and the return of boycotting political parties in both bilateral negotiations and within the Executive Council. They discussed the political agreement to vote on the 2008 budget, provincial powers and the amnesty law as one package (note: it failed the evening of February 12 but passed on February 13) and recent political tensions between Kurds, Shia and Sunni. DPM Salih reported that discussion by the Council of Ministers (CoM) on refugees and internally-displaced persons and the executive order was delayed until next week. Salih also raised concern about recent developments in Diyala and Anbar. President Talabani briefed on his visits to Najaf and Kirkuk. The President noted that he declined the Iranians' request to sign bilateral agreement(s) during Iranian President Ahmenejad's visit (expected March 1). Talabani also said he was pleased with Turkish President Gul's comments on Iraq, the PKK and Talabani himself during a February 12 al-Jazeera interview. Ambassador urged continued KRG actions against the PKK and increased dialogue between the GOT and GOI, including KRG representatives. End Summary.

#### Long-Term Strategic Relationship Negotiations

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I2. (S) Ambassador told both Shaways and President Talabani that negotiations on the Iraq-U.S. long-term strategic relationship may begin by the end of February. Both responded that the Executive Council and the Political Committee for National Security (PCNS) decided that the Prime Minister would be the primary interlocutor with the technical team. The PM would in turn brief the Executive Council and the PCNS as negotiations proceed. Ambassador noted that the technical team lead, Deputy Foreign Minister Mohammed Haji Hamoud, is very professional and has led many negotiations. According to Shaways, the PCNS discussed the negotiations' structure and goals at its last meeting. Shaways confirmed to the Ambassador that the PCNS expanded to include additional members, namely Salah al-Mutlaq and Salam al-Zawbai.

Government Changes Still Unclear;  
Tawafiq and Iraqqiya Return?

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**¶13.** (S) Shaways said that the Executive Council preparatory group had agreed to reduce the GOI to 22 ministries, with the argument that not eliminating the ministries of women, environment, displacement and migration and human rights is important. The preparatory group also agreed that the five main parties would split the posts. On the other hand, Shaways explained, PM Maliki insisted at the Executive Council meeting that the cabinet makeup clearly reflect ethnic demographics (i.e., Shia then Kurds then Sunni) and that he have final say on selecting ministers. Shaways said he believed the Executive Council would discuss the issue in their regular Wednesday meeting on February 13, but admitted that an agenda was not circulated yet. Shaways said that KRG President Barzani plans to come to Baghdad to support the cabinet reshuffle when it is time.

**¶14.** (S) Ambassador asked about how re-shaping the cabinet was proceeding as PM-Tawafuq negotiations continue. President Talabani concurred that the PM and Tawafuq were negotiating separately on Tawafuq's return and that he understood that Khalaf al-Ayan was against reducing the number of GOI ministries. Despite a continuing "trust deficit" between the PM and VP Hashimi, President Talabani agreed with Ambassador that it was good that PM Maliki invited VP Hashimi to join the Mosul Crisis Action Cell (ref B). President Talabani noted that Khalaf al-Ayan remains a problem that Hashimi may have to jettison. Ambassador said that Maliki had made some gestures on issues like amnesty and power sharing; Hashimi needs not to overplay his hand and use this opportunity to return to government. DPM Salih asked Ambassador whether he expected PM Maliki to push for a "fundamental reshuffling" of the government or an expedient replacement of current vacancies. Ambassador responded that it was important to bring forward an effective government, which means a more

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fundamental change, but that he understood VP Hashimi wanted to "plug in the holes" first and then look at wholesale changes; at the same time, it seemed that the Executive Council had agreed to a fundamental reshuffling. DPM Salih said that PM Maliki seems to be particularly upset with the Minister of Electricity but not with the Minister of Oil, who Salih said is the real problem.

**¶15.** (S) Regarding Iraaqiya, President Talabani and DPM Salih both said bringing Ayad Allawi fully back to government will require a package deal.

Kurdish Relations and  
Agreement on Budget, Provincial Powers and Amnesty

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**¶16.** (S) Shaways responded to Ambassador's question about Kurdish relations with the Shia and Sunni parties by admitting that tension around the budget issue has created problems with some political parties and with the "street." While the Shia have been Kurdish allies, Shaways noted, there are internal problems within the Shia parties in government that influence the relationship with the Kurds. Iran is also a problem, he said, and there is a fundamental lack of trust between the Kurds and the Shia. Regarding the Sunnis, Shaways said relations with the Islamic Party (IIP) are good but other Sunnis like Salah al-Mutlak and Khalaf al-Ayan are problematic. PM Nechirvan Barzani is in Korea now, should return around Feb 15-16, and is waiting for word to come to Baghdad to negotiate.

**¶17.** (S) On the budget, all confirmed that there was a political agreement that the Kurdistan Regional Government (KRG) would receive 17% in the 2008 budget, with the other primary sticking point on the Peshmerga being saved for later negotiation between PM Maliki and KRG PM Nechirvan Barzani. Ambassador noted that the PM to PM negotiation is a change from an initial agreement in which the negotiation would be between Maliki and KRG President Masood Barzani. During the meeting with President Talabani, Salih received word from the

Council of Representatives that the agreement to hold a vote on the budget, provincial powers and the amnesty law as one package had failed during the CoR evening February 12 session. (Note: The CoR passed all three measures on February 113. End Note.)

#### Assisting Returning Refugees

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¶18. (S) DPM Salih said discussion by the CoM on refugees and the executive order was delayed until next week. He offered that some questioned the need to give aid to those who voluntarily left Iraq because they don't support the government. Salih said he reminded the ministers that many of these refugees were poor, with children in need of an education, and "we have a responsibility to create conditions for their return." President Talabani agreed. Salih also said he thought that MoDM Sultan was "not up to the job."

#### Developments in Anbar and Diyala a Problem

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¶19. (S) DPM Salih urged Ambassador to pay close attention to the recent developments in Anbar regarding Awakening threats against IIP (ref A) and in Diyala regarding the protests against the police chief. Especially with the Mosul operations starting up, Salih stated, action is needed to address both issues now.

#### Talabani Visits to Najaf and Kirkuk

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¶10. (S) President Talabani conveyed that the message he received in Najaf from Ayatollah Sistani and the other ayatollahs in Najaf was the same as the one received by VP Abdel Mehdi (septel). It included a sharp attack on the government, an accusation that the government is responsible for problems and should uphold the Constitution, a suggestion that Talabani should threaten to resign if that's what it takes to reform the government, a warning to be careful of the neighbor countries and an opinion that the ministers of oil and trade are particularly bad for the country. President Talabani said Sistani supported negotiating a long term relationship with the U.S. but wanted no part in it officially. Ayatollah Yakoobi, spiritual leader of Fadhila, also told Talabani that he urged Hassan al Shammari to return to government.

¶11. (S) The President briefed on his recent visit to Kirkuk. He urged the Turkmen bloc to return to the Kirkuk provincial council and agreed to their list of demands on power-sharing

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and increased rights. "I signed the paper right there" and asked PC Chairman Rizgar Ali to make it happen, Talabani said. The Turkmen bloc did not expect the agreement, Talabani commented, and probably needs to get guidance from Ankara before proceeding. He also described implementing a provision in which Turkmen, Arabs and Kurds comprise 32% each of government jobs (with 4% for the Assyrian Christians) as important, but told Kirkuk interlocutors that it would take time. Arabs have most of the jobs in the oil sector now, for example. They cannot be fired so the impetus will be on generating new jobs that Turkmen and Kurds can fill.

#### Regional Issues: Barzani Travel, Iran, Turkey/PKK

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¶12. (S) Shaways offered that he believed KRG President Barzani's trip around the region soon would include stops in Kuwait, Iran, Saudi Arabia and UAE.

¶13. (S) President Talabani said the visit of Iranian President Ahmedinejad was now scheduled for early March. (Note: Iraqi MFA told us in a separate meeting that the visit would be on March 1. End Note.) The Ambassador urged Talabani

to ensure that the visit is low-key. The President responded that the Iranians wanted to sign agreement(s) during the visit, but Talabani declined as there were too many outstanding unresolved issues between Iran and Iraq, such as oil, Algiers Accord, Shatt al Arab, etc.

¶114. (S) President Talabani made clear that he was very happy with an interview Turkish President Abdullah Gul gave to al-Jazeera on February 12. Talabani said that the Iraqi MFA told him that the GOT had indicated that an official invitation for him to visit Ankara would be forthcoming within three weeks. Good preparation for the visit will be necessary, Talabani agreed, and the GOI wanted U.S. help. Ambassador reminded Talabani and Salih about the importance of keeping and strengthening the measures in place against the PKK and asked about arrests. Talabani replied that the PKK are all hiding in Iran now; PJAK has stopped anti-Iranian activity and the leadership recently met in Iran. Salih confided that he is very concerned about the coming spring and an increase in Turkish attacks. The Ambassador reiterated the importance of KRG actions against the PKK, but also noted that the U.S. suggests to Turkey that it needs a political solution and a serious exploration of amnesty. The Ambassador urged ongoing and increased dialogue between GOT and GOI, to include the KRG. President Talabani agreed and said that some of the dialogue was so sensitive (e.g., on Kirkuk, PKK, Iran) that it would need to happen at a covert level as well.

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